

Financial Security and Montana Spending Ceilings

To provide Montanans with stability of government services during this time of national economic turbulence, Governor Schweitzer will ***vigorously pursue*** with the 2009 Legislature the following financial security proposal with two spending ceilings:

Montana Financial Security

The Governor proposes the highest reserve in the State's history:

- \$250 million FY 2011 ending general fund balance ***plus***
- Approximately \$30 million in contingency for emergencies or fires

1. **Spending Ceiling.** Limiting general fund spending to \$1,950 million in FY2011, which must cover:

- Existing programs
- Very limited new programs, unless fully compensated with new revenues
- Tax reductions or new tax credits, unless fully offset with additional revenue measures or cuts in existing tax credits, deductions or loopholes (The Governor separately addresses property tax mitigation consistent with his position of no statewide increase. Yellow Book will contain details.)
- Any additional debt service requiring general fund support

2. **One-Time-Only Spending.** "One-time-only" expenditures do not become part of the base in future budgets and do not imply permanent support. The Governor will ***vigorously pursue*** the following principles regarding one-time-only fund expenditures:

- One-time only funds, combined with ongoing general fund expenditures, will leave an unrestricted ending general fund balance of \$250 million on June 30, 2011; approximately \$30 million in additional monies will be set aside for fires or other emergencies
- Proposals for one-time-only money for the State's core mission of public health, safety and education are clearly identified as one-time-only expenditures.
- One-time-only appropriations for the State's core mission will not be used to increase operating budgets or directly expand services.
- Trigger mechanisms are included in the Governor's proposals to delay or reduce spending of one-time-only money if actual revenues fall unexpectedly below estimates.